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Spy Case Intensifies Security Questions at C.I.A.

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WASHINGTON, Nov. 24 — The arrest of a former Central Intelligence Agency analyst on charges of spying for the Chinese has raised new questions about security at the C.I.A., whose standing in Congress and within the Reagan Administration has been damaged by security breaches and public reverses.

Administration officials said that the analyst, Larry Wu-Tai Chin, had access to relatively low-level classified material in his job at the Foreign Broadcast Information Service, an arm of the C.I.A. But intelligence specialists said the significance of the case was that an employee may have evaded the agency's security procedures — which include regular polygraph, or lie-detector, tests — for three decades.

Additionally, an affidavit filed Saturday by Federal investigators says that Mr. Chin was able to take classified material from his workplace by hiding it in his briefcase and clothing.

William J. Casey, the Director of Central Intelligence, has in recent months been confronted with increasing criticism from Congress and the White House over several well-publicized incidents.

These include a Soviet intelligence officer who defected to the West and then returned to Moscow after holding two news conferences denouncing the agency; a former C.I.A. officer who was charged with spying for the Soviet Union, and a former agency clerk who admitted passing secret information to officials in Ghana.

"There are a lot of strange occurrences here that at least show people were not on the ball," an Administration official, who spoke on the condition that he not be identified, said in a recent interview. "Obviously there's great concern. It's not like the agency is not getting a lot of money and support."

Senator Patrick J. Leahy, the Vermont Democrat who is vice chairman of the Senate Select Committee on Intelligence, said the string of public embarrassments is taking its toll on morale at the C.I.A.

"Some in the agency are reeling from it, and are feeling very, very defensive," Mr. Leahy said. "They shouldn't be. The C.I.A. is still the best intelligence service in the world. They should realize that every major intelligence service is going to have some things go wrong. Unfortunately the things that go right aren't made public."

Mr. Leahy, who has previously called for improvements in the agency's security procedures, said that some of the recent cases against C.I.A. employees had been initiated by the agency.

Failed a Polygraph Test

Administration officials say the charges against Sharon M. Scranage, a C.I.A. clerk who pleaded guilty in September to identifying covert agents in Ghana, arose when she failed a routine polygraph test administered by the agency. Additionally, the C.I.A. was also responsible for initiating the investigation of Mr. Chin, officials said.

"Having been one of those who has pushed for improved counterintelligence," Mr. Leahy said, "I am not going to say: 'You beefed it up, you caught some spies, and now I'm going to beat you about the head and shoulders for that.'"

Mr. Leahy said it was too early to speculate on any possible damage Mr. Chin may have caused. Administration officials said that analysts at the Foreign Broadcast Information Service receive reports from the C.I.A. and other agencies. Such documents, Administration officials said, in the hands of hostile intelligence services, could be useful in understanding general trends in the Government's approach to a country.

The reports do not include the identities of covert agents gathering information, the officials said. But they cautioned that in some instances, a careful reading of a document would allow a hostile intelligence service to deduce that a particular piece of data could only have come from one source.

Investigators have not yet specified what sort of security clearances Mr. Chin held, but the Federal Bureau of Investigation did say in a statement Saturday that he was a naturalized American citizen. According to former C.I.A. officials, it is unlikely that a naturalized American citizen would have been granted one of the higher-level security clearances.

Stansfield M. Turner, President Carter's Director of Central Intelligence, said today he believed the agency's security procedures were lax when he took over the post in 1977. He asserted that "considerable improvements" had been made under the Carter Administration, but said, "I wouldn't want to profess I thought it was where it should be."

Mr. Turner said that the recruitment of an information-service employee by a hostile intelligence service was not an especially serious breach of security.

"F.B.I.S. is not the heart of the C.I.A.," he said. "It is pretty largely an unclassified organization. That is why I take a less than cataclysmic view of this."

But Mr. Turner said it was "terrible" that it took three decades to uncover the case. "Whether the data is significant or not," he said, "anyone who is passing information like this should be caught in less than 30 years."

The C.I.A.'s approach to counterintelligence has long been a matter of concern to some critics in Congress. Senator Malcolm Wallop, a Wyoming Republican, has contended that the agency is insufficiently sensitive to the question of whether a double agent has penetrated upper levels of the agency.

The agency has never ruled out the possibility that such an agent had gained access to its secrets, but its officials have given little credence to Mr. Wallop's assertions.

A senior Administration official said that it was almost inevitable that some hostile intelligence service would succeed in penetrating the agency. "It never occurred to me that there weren't spies in the agency," the official said. "We have propounded this myth, and it has been a useful myth, but it's still a myth, that somehow Americans are not vulnerable."

Noting that thousands of intelligence agents direct their efforts against the United States, the official said, "It shouldn't surprise anyone that there are spies within the United States Government."

The issue is an important one for an intelligence service, former C.I.A. officers say, since the recruitment of agents in the field depends on a guarantee that their identities will be kept secret.

This year's round of espionage cases involving C.I.A. employees began with Miss Scranage, who was a clerk in the agency's station in the Ghanaian capital, Accra. She admitted to the authorities that she had given classified information to her Ghanaian lover. Later this year, a Soviet intelligence officer, Vitaly Yurchenko, defected and helped the F.B.I. develop espionage charges against Edward Lee Howard, a former C.I.A. officer who had been dismissed.

According to Administration officials, Mr. Howard had helped Soviet intelligence agents uncover an American agent, A. G. Tolkachev, who had been providing the C.I.A. with sensitive details about Soviet weapons research.

Just this month, Mr. Yurchenko, whose defection had been touted by the C.I.A. as a coup, announced his return to the Soviet Union. The Administration is still trying to determine whether he actually defected and then changed his mind or was a Soviet plant. Some former C.I.A. officials have suggested Mr. Yurchenko's case is part of a pattern of mishandling defectors.